

Message Text

CONFIDENTIAL

PAGE 01 OTTAWA 03918 082217Z
ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 NSC-05 SP-02 L-03 H-01
CIAE-00 INR-10 NSAE-00 EB-08 COME-00 STR-07 OMB-01
TRSE-00 OPIC-03 CEA-01 SIL-01 LAB-04 /074 W
-----004612 091300Z /53
R 082213Z AUG 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 8306

C O N F I D E N T I A L OTTAWA 03918

E.O. 11652: GDS
TAGS: EINV, ETRD, CA
SUBJECT: VANIK LETTER ON INVESTMENT INCENTIVES TO
FORD

REF: STATE 194638

1. WE UNDERSTAND DEPARTMENT HAS AGREED TO RESPOND TO
CONGRESSMAN VANIK'S LETTER (REFTEL) OF AUGUST 1, 1978,
TO AMBASSADOR ENDERS.

2. DEPARTMENT MAY WISH TO DRAW ON FOLLOWING DATA IN
REPLY TO VANIK.

A. OFFER MADE TO FORD BY GOVERNMENT OF CANADA AND
PROVINCE OF ONTARIO AND ACCEPTED BY FORD AUGUST 3 WAS
A DIRECT PAYMENT OF 68 MILLION CANADIAN DOLLARS,(ABOUT
61 MILLION U.S. DOLLARS) OF WHICH 40 MILLION CAME FROM
FEDERAL GOVERNMENT AND 28 MILLION FROM PROVINCE OF
ONTARIO. FORD PLANT IS TO MAKE AUTO ENGINES. PLANT
LOCATION IN ONTARIO HAS NOT BEEN FINALLY DECIDED, BUT
WILL PROBABLY BE IN WINDSOR. ENGINE PLANT IS EXPECTED
TO EMPLOY 2,600 WORKERS DIRECTLY, PLUS POSSIBLY AS
MUCH AS 2,400 ADDITIONAL JOBS WILL BE CREATED IN
ANCILLARY SERVICE AND SUPPLY INDUSTRIES.

B. CANADIAN OFFICIALS HAVE TOLD US THAT IN THEIR VIEW
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OTTAWA 03918 082217Z

INVESTMENT INCENTIVES OFERED BY STATE OF OHIO WERE
"SUBSTANTIAL". HOWEVER, PRESS REPORTS (WHICH WE ARE
INCLINED TO BELIEVE) STATE THAT MOST OF INCENTIVE
OFFERED FORD BY CANADA WAS FOR HIGHER START UP COSTS IN
ONTARIO AS COMPARED TO OHIO. THESE HIGHER COSTS INCLUDE
LAND ACQUISITION (WE UNDERSTAND THE ALTERNATE SITE IN
OHIO WOULD HAVE BEEN ONLY AN ADDITION TO AN EXISTING

FORD FACILITY), PLUS HIGHER CONSTRUCTION MATERIAL COSTS
AND HIGHER TAXES,PRINCIPALLY PROVINCIAL TAXES, ON CON-
STRUCTION MATERIALS. ENDERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENTS, INCENTIVES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978OTTAWA03918
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780325-1149
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780887/aaaacvgj.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 50200467-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 194638
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1804860
Secure: OPEN
Status: NATIVE
Subject: VANIK LETTER ON INVESTMENT INCENTIVES TO FORD
TAGS: EINV, ETRD, CA
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/50200467-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014